

Testimony in Opposition to S.B. 814

I oppose the enactment of S.B. 814, introduced by Senator Patricia Miller. This measure proposes to make tax preparers, who make unintentional preparation errors, liable not only for any assessed penalties and interest but also all tax assessed as a result.

The basic premise of liability recovery is to compensate the client for additional costs incurred as a direct result of the error or omission, not to absolve them of amounts rightfully owed. Any tax amounts owed absent the error or omission should remain the responsibility to the taxpayer. That is not what this bill proposes.

If a store overcharges for a bottle of milk, they are responsible to refund the overcharge, not to provide free milk.

There are multiple existing vehicles for a taxpayer to seek redress for their additional costs due to tax preparer errors, including social media, civil litigation and licensing bodies covering enrolled agents, CPAs and/or lawyers. This measure is an unnecessary and inaccurate duplication.

I oppose the enactment of this measure which is unwarranted, inconsistent with established liability principles, and difficult to enforce equitably.